

Executive Limitation #6: Financial Administration

With respect to the actual, ongoing condition of the Division's financial health, the Superintendent shall not fail to take reasonable steps to avoid allowing any fiscal condition that places the long-term financial health of the Division in jeopardy, causing a material deviation in spending from the budget adopted by the Board, or spending that is inconsistent with achieving the Division's Strategic Plan goals. The Superintendent shall not fail to be fiscally responsible and ensure all expenditures are kept within projected revenues of the Division. The Superintendent shall not fail to provide strong financial controls and an accurate, full, and transparent accounting of how taxpayer dollars are spent in support of the Division.



The Superintendent shall not fail to:

1. *Expend only those funds that have been received in the fiscal year to date, unless the Board authorizes additional expenditures through the use of reserves or other revenues are made available through legal means.*
2. *Administer all purchases in accordance with the Fairfax County Purchasing Resolution, Board procurement policies, and state and federal laws.*
3. *Prevent the organization from creating obligations over a longer term than revenues can be safely projected, or establishing provisions for modifying obligations in the event of revenue loss.*
4. *Ensure that payroll and legitimate debts of the Division are promptly paid when due.*
5. *Make all reasonable efforts to collect any funds due the Division from any source.*
6. *Seek all state and federal funds to which the Division is or may be entitled.*
7. *Keep complete and accurate financial records by fund categories and accounts in accordance with established fiscal accounting procedures as reflected in Generally Accepted Accounting Principles.*
 - a. *Ensure funds are received, processed, recorded and disbursed in a robust, comprehensive internal control system that is, at a minimum, sufficient under state required accounting practices.*
8. *Effectively and efficiently develop systems of internal control that span all operating environments, mitigate risks to acceptable levels, address risks related to financial reporting, are funded appropriately, and support sound auditing practices.*
 - a. *Coordinate and cooperate with the annual audit of all Division funds and accounts.*
9. *Obtain, generate, regulate or use relevant, quality information to support the functioning of the organization, including, but not limited to:*
 - a. *Keeping the Board up to date on any material changes to the Division's budgeted expenditures and revenues;*
 - b. *Providing a quarterly review of the budget that provides a status report of funds under the Board's control and identifies critical needs of the school system.*
10. *Provide annual guidance on carrying forward unspent funds that provides a minimum threshold for schools to retain, and creates a plan for the reallocation of any additional unspent funds that is responsive to Division needs and strategic priorities.*
11. *Publish a public and transparent annual report that indicates the financial health of the Division including revenues, expenditures, and costs of major programs.*
12. *File required financial reports accurately and on time.*

Superintendent's Interpretation:

This Executive Limitation calls on the Superintendent to take reasonable steps to avoid allowing any fiscal condition that places the long-term financial health of the Division in jeopardy.

I interpret this to mean that the Superintendent shall ensure the long-term financial health of the Division nor will they allow any material deviation in spending from the budget adopted by the Board and will ensure that all spending is consistent with achieving the Division's Strategic Plan goals.

Additionally, the Superintendent will be fiscally responsible and ensure that all expenditures do not exceed revenues and provide strong controls and an accurate and transparent accounting of how taxpayer dollars are being spent.

Further, I also interpret this Executive Limitation to mean that it is the responsibility of the Superintendent to direct the work of the Division so that organizational structures are in place to implement and monitor our progress in these areas and to share updates related to this progress with the Board on a regular basis.

Evidence of Compliance:

Certification:

I hereby present my monitoring report on Executive Limitation #6: Financial Administration (EL-6) in accordance with the reporting schedule set forth in the Board calendar. I certify that the information contained in the report is true as of February 12, 2026 to the best of my knowledge, information, and belief.

Evidence of Compliance: February 12, 2026

At the time of this report, to the best of my knowledge, information, and belief, I have gathered information and evidence that I believe supports compliance with the Board's Executive Limitation associated with this topic. In particular, I share with the Board the following information and indicators which I believe meets Executive Limitation #6.

Indicators include, but are not Limited to, the following:

NEW OR NEWLY ADDED EVIDENCE

Note: Some budget documents may not yet be available to the public at the time of posting.

- Financial Policies, Regulations, and Notices for Finance which includes Payroll, Benefits, Budget, Procurement and the Comptroller's Office are tracked for review and updated regularly as needed. Updated regulations and policies related to financial administration can be found in [Appendix A](#). (indicator 2).
- Procurement Services reinforces the importance of early procurement involvement and legal review of contractual terms through updates to [Regulation 5012](#), targeted staff training, and guidance embedded in Atlas. This year updates include: the requirement of vendor provided agreements to be reviewed by procurement prior to small purchases, reference to Conflict of Interest Policy 4430 to reinforce prohibition of employees as vendors, and the addition of an unauthorized purchases section to emphasize that a purchase order (PO) issued after goods or services have been provided is prohibited. (indicator 2)
- Procurement Services has developed additional guidance documents in the Procurement Manual, including but not limited to: appropriate use of purchase orders, including drawdown purchase orders; informal RFPs and informal competitive bids, templates and documentation expectations; and prom procurement guidance. (indicator 2)
- Procurement Services monitors aggregate vendor spend to ensure systemwide contracts are established for small recurring purchases that exceed competitive thresholds in the aggregate. (e.g. theater licensing, referees & umpires). (indicator 2)
- Grant reimbursements are receiving additional monitoring for FY 2026 with review of accounts receivable aging reports and prompt follow up and response to any questions to assure timely payments continue. Follow up and diligence is assuring that funds due to FCPS are being received in a timely manner. All grant receipts are current. (indicator 6)
- Grants Development proactively identifies and communicates grant opportunities, assists with writing grant proposals, manages the application process to ensure granting agencies' deadlines and requirements are met, writes and obtains letters of support, develops creative partnerships with other organizations to obtain grants, and submits proposals on behalf of the Division. (indicator 6)
- Internal controls have been enhanced this year for the following (indicator 8):
 - **CTE Auto Tech Implementation:** FCPS completed the implementation of inventory management systems and accounting protocol to all the CTE Auto Tech and AutoBody programs. FCPS is moving into additional oversight, support, and further enrichment of training materials. About 65 -70% of all client sales are now through credit card (previously, cash and checks were used). There is now greater uniformity on sales and inventory management for the auto program at all FCPS schools.
 - **ACH/EFT:** FCPS has enabled the EFT (Electronic Funds Transfers, also known as ACH) payment method in the Local School Activity Funds (LSAF) Great Plains system. EFT/ACH allows payments to be made to vendors electronically eliminating check payments and improving internal controls. The benefits of EFT/ACH provides better security, lowers transaction costs, creates efficiencies in payment clearing by FCPS to vendors, reduces fraud, streamlines payments, and when fully implemented, reduces paper consumption. ACH, via the electronic bank-to-bank transfer process is the recommended payment approach by vendors. FCPS can now begin to add vendors to this ACH/EFT process on the LSAF side for payments.

- **Positive Pay:** FCPS has implemented positive pay on the LSAF side, enhancing its use. Positive pay's main benefit is its ability to compare checks cashed at a bank to those processed, reducing fraud. It also provides improved oversight controls to prevent significant loss due to large fraudulent payments after the issuance of the check. Similar to ACH/EFT, staff contingencies have been developed to make sure all exceptions are reviewed on a daily basis.
- FCPS continues its efforts to use technology to streamline and strengthen internal controls.

ONGOING EVIDENCE

POLICIES/REGULATIONS

- All FCPS procurement policies align with the [Virginia Public Procurement Act](#) which outlines public policies pertaining to governmental procurement from nongovernmental sources. (indicator 2)
- FCPS follows the [Fairfax County Purchasing Resolution](#), established by the Fairfax County Government, in order to ensure that all procurement procedures are conducted with transparency and administrative efficiency. (indicator 2)
- The Office of Procurement services adheres to all internal policies, including, but not limited to: (indicator 2)
 - [School Board Policy 5011](#): Purchasing and Supply: Authority to Contract (last revised March 23, 2023)
 - [School Board Regulation 5012](#): Purchasing and Supply: Purchasing Goods and Non-Professional Services Using Appropriated and Nonappropriated Funds (last revised September 12, 2025)
 - [School Board Policy 5015](#): Purchasing and Supply: Procurement of Professional and Consultant Services (last revised March 9, 2023)
- [FCPS Regulation 5610](#) (last reviewed July 7, 2023) outlines guidance to ensure that all FCPS personnel are paid on-time as well as procedures to follow in the event that personnel is over- or underpaid. (indicator 4)

PRACTICES

Awards and Accomplishments

FCPS continues to be recognized for its outstanding financial reporting. Financial Services Awards and Accomplishments include: (indicator 7 and 12)

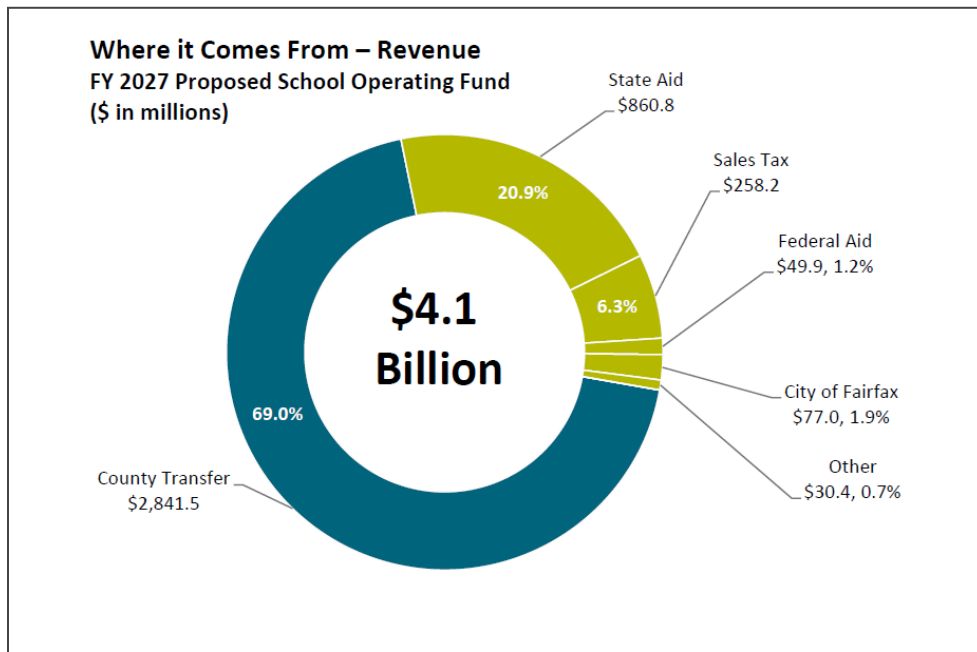
- FCPS received the Association of School Business Officials (ASBO) and the Government Finance Officers Association of the U.S. and Canada (GFOA) awarded FCPS Budget with the Meritorious Budget Award and the Distinguished Budget Presentation Award for FY 2026 Approved Budget.
- The Government Finance Officers Association of the U.S and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to FCPS for its ACFR for FY 2024. The award for FY 2024 is received in FY 2025. This award has been received annually by FCPS and assures accuracy and transparency of financial information. In order to be eligible, the report must also satisfy both GAAP and applicable legal requirements. FCPS has received this award for 31 years.
- FCPS received the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting (ACFR) which is received annually and assures that Generally Accepted Accounting Principles are followed. This award was for the FY 2024 ACFR which is received in FY 2025. FCPS has received this award for 31 consecutive years.
- FCPS received the GFOA Award of Outstanding Achievement in Popular Annual Financial Reporting

(PAFR) to FCPS for the fiscal year ended June 30, 2024. The award for FY 2024 is received in FY 2025. This award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government unit must publish a popular annual financial report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

- FCPS received the GFOA Award for the Educational Employees Supplemental Retirement System (ERFC) pension plan for FY 2024, which is received in FY 2025.

Accounting Practices

- FCPS follows GAAP (Generally Accepted Accounting Principles) and GASB (Governmental Accounting Standards Board) reporting standards for transparency and accuracy. (indicators 7, 8, 10, and 12)
 - Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). These financial statements consist of government-wide statements, including the Statement of Net Position and the Statement of Activities; fund financial statements; and notes to the financial statements. The Comptroller's Office assures that the financial activity of FCPS is recorded appropriately.
 - Division transaction practices align in accordance with Generally Accepted Accounting Principles (GAAP) to assure all spending in a fiscal year is appropriately recorded to obtain a true year end fund balance by fiscal year.
- To keep accurate financial records FCPS must follow Generally Accepted Accounting Principles (GAAP) and implement all new GASB pronouncements. FCPS has successfully implemented Governmental Accounting Standards Board (GASB) 101 for FY 2025. (indicator 7)
 - For FY 2025, GAAP required the implementation of GASB 101 impacting the FY 2025 Annual Comprehensive Financial Statements (ACFR). GASB 101, Recording the liability for Compensated Absences was implemented successfully. GASB Statement 101, Compensated Absences, requires that a liability should be recognized for leave that has not been used. The financial statements follow GAAP and GASB and now accurately reflect the leave liability for employees.
- FCPS has implemented systems to establish clear parameters for spending so that spending is within allotted program budgets. (indicator 1)
 - Budgets are planned around funds noting projected revenues to be received.
 - FOCUS, the enterprise resource planning (ERP) financial management system, assures budgets are loaded and programs can only spend against appropriated amounts. Internal restrictions are in place within the software that ensure no expenditures can be made that would exceed the total budgeted amount.



Source: FY 2027 Proposed Budget

Fund financial accounting and reporting is utilized following GAAP to group related accounts; funds are used to maintain control over financial resources for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting allows FCPS to track transactions in individual funds and ensures compliance with finance-related legal requirements. (indicator 7)

- Funds are divided into Governmental Funds, Proprietary Funds and Fiduciary funds and, following GAAP, separate financial statements are produced for each classification.
- The ERFC is a legally separate entity that provides pension benefits and is a component unit of FCPS as required by GAAP accounting.

FCPS Fund Types and Descriptions

The Financial Pyramid		Fund	Activity Type	Commitment Item Group	Commitment Item	
		<ul style="list-style-type: none"> School Operating School Construction Adult and Community Education Food and Nutrition Services Grants and Self-Supporting Programs 	<ul style="list-style-type: none"> Health and Flexible Benefits School Insurance Educational Employees' Supplementary Retirement System of Fairfax County Other Post-Employment Benefits 	<ul style="list-style-type: none"> Revenue or Expenditure 	<ul style="list-style-type: none"> Capital Outlay Employee Benefits Materials and Supplies 	<ul style="list-style-type: none"> State Aid State Revenue

Fund Classification	Fund Type	Fund Description	School Board Fund	Budget Basis	Accounting Basis
Governmental Funds – account for operating and special revenue activities	Operating	The School Operating Fund is FCPS' primary operating fund which accounts for all financial resources except those that are accounted for in another fund.	<ul style="list-style-type: none"> School Operating 	<ul style="list-style-type: none"> Modified Accrual ER Daniels Trust and Gift fund not included 	Modified Accrual
	Capital Projects	The Capital Projects Fund tracks financial transactions used for the acquisition, construction, or renovation of school sites, buildings, and other major capital improvements.	<ul style="list-style-type: none"> School Construction 	<ul style="list-style-type: none"> Modified Accrual 	Modified Accrual
	Special Revenue	Special Revenue Funds are used to account for proceeds of specific revenue sources, other than major capital projects, in which expenditures are restricted for a specified purpose.	<ul style="list-style-type: none"> Adult and Community Education Food and Nutrition Services Grants and Self-Supporting Programs 	<ul style="list-style-type: none"> Modified Accrual 	Modified Accrual
Proprietary Funds – account for business type activities	Internal Service	Internal Service Funds account for the financing of goods and services provided by one department to other departments within FCPS on a cost reimbursement basis.	<ul style="list-style-type: none"> Health and Flexible Benefits School Insurance 	<ul style="list-style-type: none"> Accrual Depreciation and compensated absences not included 	Accrual
Fiduciary Funds – account for resources held for others by FCPS as an agent or trustee	Trust	Pension and Other Post-Employment Benefits Trust Funds account for assets held in a trustee capacity for the members and beneficiaries.	<ul style="list-style-type: none"> Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) School Other Post-Employment Benefits (OPEB) 	<ul style="list-style-type: none"> Accrual Depreciation and compensated absences not included 	Accrual

- Fund accounting is utilized to track revenues and obligations/expenditures for specific purposes. If revenue loss or deficits occur, review can occur for budget transfers from the Operating Fund, or for use of reserves to manage the fund. (indicator 1 and 3)
- Monthly Reconciliations for actual to budget reporting includes state and federal revenue received vs. planned. Analysis is performed at the budgeted commitment item level, or detailed General Ledger (GL) level, and monthly reconciliations are conducted to ensure reimbursement of funds. (indicator 6)
- The Department of Financial Services works with program managers to ensure reimbursements are up to date. (indicator 6)
- FCPS prioritizes maintaining healthy reserves. School Board reserves are maintained to enable FCPS to address unanticipated needs in a timely manner. Each year, the reserve amount is approved after a careful review of previous years' expenditures and balances to ensure that sufficient contingency funding is not delayed awaiting quarterly budget reviews. The reserves cover areas such as 1) Grants 2) School Board Flexibility Reserve 3) Fuel Contingency and 4) Staffing Reserve Contingency. (indicator 1)

Salaries/Payroll and Benefits

- The FCPS pay method is consistently reviewed. In the MyPath HCM replacement project the FCPS pay method will change and, while there will be occurrences of leave without pay, the employee's hourly rate will now be consistent across all pay periods. (indicator 4)
- In FY 2025, the Payroll Office eliminated the first month pay gap for late hires by integrating them into the next biweekly cycle. By leveraging biweekly cycles instead of manual checks, FCPS provided more timely pay to over 550 employees, reducing administrative tasks and ensuring immediate financial stability for our newest staff members. (indicator 4)

- FCPS provides all leave balances up front on July 1 the start of each fiscal year, annually. The upfront provision of leave has evolved from a leave without pay volume reduction tool into one of critical employee support. While the total leave without pay transactions in FY 2025 by year end were comparable to those in FY 2024, the strategic benefit remains clear; providing balances on July 1 protects employees from leave without pay early in the year and ensures they have the necessary balances to satisfy the elimination period for our integrated disability management programs without a financial gap. (indicator 4)
- The Division processes both a monthly and a biweekly payroll, with [pay schedules](#) published annually. Payrolls are processed in advance to ensure timely delivery of bank files to employees and vendors to settle the obligations of payrolls including tax filings, benefit vendors, and retirement contributions to partner agencies. (indicator 4)
- A Payroll Warrant, certified by a payroll accountant and approved by an agent (or deputy agent) and deputy clerk of the School Board, is produced to support the funding memo sent to Fairfax County Office of Finance. This is a standard process that informs the county government how much funding is required to meet and ensure transfer of funds for FCPS payroll. (indicator 4)

Accounts Payable, Accounts Receivable and Procurement Contracts

- FCPS ensures payments are timely, which includes daily Accounts Payable payments of system-wide obligations, weekly Procurement Card (Pcard) and Virtual Pcard payments, ACH payments, and daily employee travel reimbursements. Payments are monitored for due dates and past due amounts. (indicator 4)
- Account receivables are tracked by the Comptroller's Office for funds owed to the Division. This ensures that all funds due are documented and tracked efficiently for collection. An internal review and reconciliation of outstanding accounts receivable is performed monthly. (indicator 5)
- The Office of Procurement Services implemented a standard contract approval and notification template for School Board members in October 2024 (FY 2025) for contract approval and contract notification actions in accordance with [Policy 5011: Authority to Contract](#) (last revised March 23, 2023). The new template provides consistent details including but not limited to historical, current, and budgetary information. (indicator 2)

Budget Oversight

- FCPS reconciles to the state budget at every stage of the budget process. **For example**, part of the Governor's budget for FY 2026, FCPS staff identified a state data error that would have resulted in a \$2.6 million reduction in State funding to FCPS. FCPS staff made VDOE aware of the error allowing for correction by both chambers of the General Assembly during the House and Senate budget amendment process. Similar review and reconciliation occurs for each stage of the state budget and the impact on each FCPS budget year. (indicator 6).
- Budget Guidance for year end and carryover is set prior to the end of a financial year. (indicator 10)
- The final budget review process ensures that funds are eligible for carryover into the following fiscal year, which begins on July 1. (indicator 3)
 - FY 2025 close-out processes were in alignment with [Board Notice 5110](#) (last revised March 26, 2025) which provides procedural financial closing guidance for the end of the fiscal year and critical actions that must be taken by the deadlines provided.
 - Selected encumbrances are closed *at year end* where the goods and services are no longer needed.
 - FCPS utilizes special budget posting periods (Period 14) to ensure all expenses are captured and accounted for even after the fiscal year ends on June 30th. This facilitates reconciliation by

allowing for the recording of late expenditures.

- Post year end review of revenues and obligations in Period 14 assures FCPS executes transactions in the correct fiscal year and fund.
- Below is the FY 2027 Proposed Budget noting the budgeted funding and positions supporting each fund: (indicator 3)

FY 27 Proposed Budget Funding and Positions

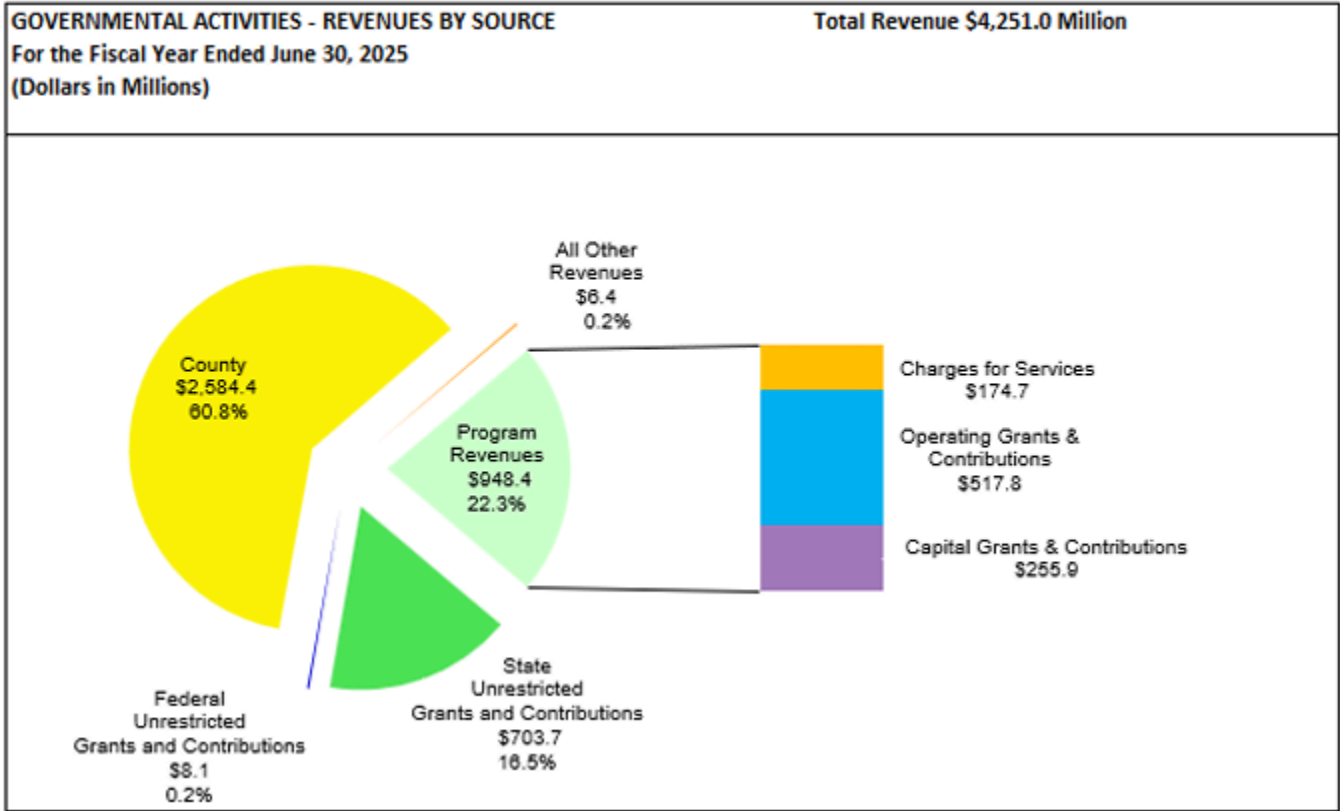
School Board Funds*							
(\$ in millions)							
Fund	FY 2026	FY 2026	FY 2027	Change		Change	
	Approved	Revised	Proposed	Approved to Proposed	Revised to Proposed	Amount	Percent
School Operating							
Budget	\$ 3,920.8	\$ 4,259.7	\$ 4,117.8	\$ 197.0	5.0%	\$ (141.9)	-3.3%
Positions	25,625.0	25,625.0	25,695.9	71.0	0.3%	71.0	0.3%
School Construction							
Budget	\$ 262.8	\$ 602.2	\$ 267.3	\$ 4.5	1.7%	\$ (334.9)	-55.6%
Positions	95.3	95.3	96.3	1.0	1.0%	1.0	1.0%
Food and Nutrition Services							
Budget	\$ 139.1	\$ 128.7	\$ 129.4	\$ (9.8)	-7.0%	\$ 0.7	0.5%
Positions	57.5	57.5	57.5	-	0.0%	-	0.0%
Adult and Community Education							
Budget	\$ 9.7	\$ 9.7	\$ 9.7	\$ (0.0)	-0.1%	\$ (0.0)	0.0%
Positions	33.4	33.4	29.4	(4.0)	-12.0%	(4.0)	-12.0%
Grants and Self-Supporting Programs							
Budget	\$ 105.6	\$ 212.1	\$ 98.6	\$ (7.0)	-6.7%	\$ (113.5)	-53.5%
Positions	673.5	694.5	672.2	(1.3)	-0.2%	(22.3)	-3.2%
Insurance							
Budget	\$ 34.7	\$ 38.0	\$ 40.4	\$ 5.6	16.1%	\$ 2.4	6.2%
Positions	11.8	11.8	11.8	-	0.0%	-	0.0%
Health and Flexible Benefits							
Budget	\$ 703.4	\$ 710.1	\$ 768.0	\$ 64.6	9.2%	\$ 57.9	8.1%
Positions	33.0	33.0	33.0	-	0.0%	-	0.0%
ERFC (Retirement)							
Budget	\$ 260.7	\$ 260.2	\$ 275.9	\$ 15.3	5.9%	\$ 15.7	6.0%
Positions	37.0	37.0	37.0	-	0.0%	-	0.0%
OPEB Trust Fund							
Budget	\$ 18.8	\$ 18.8	\$ 19.0	\$ 0.2	1.2%	\$ 0.2	1.2%
Positions	0.0	0.0	0.0	-	0.0%	-	0.0%

*Does not add due to rounding.

Source: FY 2027 Proposed Budget

- Revenues are tracked and monitored by fiscal year and source. FCPS follows a consistent budget process for all nine funds under the control of the School Board. Below are actual revenues by source: (indicator 3)

Revenues by Source for Fiscal Year Ended June 30, 2025



Source: FY 2025 Annual Comprehensive Financial Report

- Revenue is tracked to the anticipated budget to identify if collection efforts are needed to be performed. (indicator 5)
- Revenue is tracked and monitored by type/category and analyzed year to year by fund as noted below: (indicator 5)

School Operating Fund Statement¹

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual ²	FY 2026 Approved	FY 2026 Revised ³	FY 2027 Proposed
BEGINNING BALANCE, July 1						
Budgeted Beginning Balance	\$ 26,536,181	\$ 28,106,217	\$ 30,367,414	\$ 28,106,217	\$ 29,540,877	\$ -
Outstanding Encumbered Obligations	57,155,128	53,337,692	88,538,493	-	72,346,146	-
Schools/Projects Carryover	86,387,519	83,098,513	137,643,905	-	173,330,213	-
Department Critical Needs Carryover	24,089,039	29,425,030	26,233,991	-	8,897,086	-
Recommended Expenditure Adjustments	69,063,902	107,457,234	64,151,123	-	63,773,686	-
Total Beginning Balance	\$ 263,231,768	\$ 301,424,685	\$ 346,934,926	\$ 28,106,217	\$ 347,888,008	\$ -
RESERVES:						
Future Year Beginning Balance	\$ 21,874,771	\$ 25,000,000	\$ 28,106,217	\$ -	\$ 24,000,000	\$ -
Fuel Contingency	2,000,000	2,000,000	2,000,000	-	2,000,000	-
School Board Flexibility Reserve	8,000,000	8,000,000	8,000,000	-	6,030,524	-
Total Reserve	\$ 31,874,771	\$ 35,000,000	\$ 38,106,217	\$ -	\$ 32,030,524	\$ -
REVENUE:						
Sales Tax	\$ 266,411,271	\$ 244,410,881	\$ 248,931,518	\$ 253,340,339	\$ 253,340,339	\$ 258,175,529
State Aid	620,480,176	703,341,833	771,674,119	794,551,520	793,116,860	860,823,308
Federal Aid	169,727,802	109,476,945	52,447,079	50,073,177	62,572,330	49,854,470
City of Fairfax Tuition	52,911,698	58,575,531	66,214,951	61,676,853	61,676,853	77,012,224
Tuition, Fees, and Other	25,416,465	32,056,409	31,110,224	29,127,560	29,127,560	29,527,560
Total Revenue	\$ 1,134,947,411	\$ 1,147,861,600	\$ 1,170,377,891	\$ 1,188,769,449	\$ 1,199,833,941	\$ 1,275,393,090
TRANSFERS IN:						
Combined County General Fund	\$ 2,275,310,924	\$ 2,419,409,875	\$ 2,584,409,875	\$ 2,703,050,892	\$ 2,703,050,892	\$ 2,841,496,955
County Transfer - Cable Communications	875,000	875,000	875,000	875,000	875,000	875,000
Total Transfers In	\$ 2,276,185,924	\$ 2,420,284,875	\$ 2,585,284,875	\$ 2,703,925,892	\$ 2,703,925,892	\$ 2,842,371,955
Total Revenue and Transfers	\$ 3,411,133,335	\$ 3,568,146,475	\$ 3,755,662,766	\$ 3,892,695,341	\$ 3,903,759,833	\$ 4,117,765,046
Total Funds Available	\$ 3,706,239,875	\$ 3,904,571,160	\$ 4,140,703,908	\$ 3,920,801,558	\$ 4,283,678,365	\$ 4,117,765,046

¹ Does not add due to rounding.

² FY 2025 actuals include restatement for a year-end adjustment not previously recorded.

³ As approved by the School Board at the FY 2026 Midyear Budget Review on December 18, 2025.

Source: FY 2027 Proposed Budget

Grants

- The Office of Budget Services, Office of Grants Development, pursues all applicable grant opportunities. (indicator 6)
- FCPS adheres to [Procurement Standards for Federal Grant Awards](#). (indicator 2)
- FCPS [Quarterly Budget Review](#) process includes a section called "Grants Development". This area, found at the end of each quarterly budget review, includes updates on the status of grants within the current fiscal year and previous fiscal year (when applicable). (indicator 6)
- Timely and accurate filing of reimbursements are performed by the Comptroller's Office; grant reimbursements are tracked; and revenues and expenditures are monitored monthly. (indicator 5)
- The Comptroller's Office performs grant monitoring, assuring reimbursements for grants, both federal and state, are filed monthly or quarterly. FOCUS denotes each grant as a "project" to track grant revenue and to assure it is reimbursed against the expenditures monthly. (indicator 6)
- FCPS has and will continue to monitor the federal landscape and will pursue all federal opportunities that align with Division's goals and Strategic Plan.(indicator 6)

Reporting

- The [ACFR](#), the Annual Comprehensive Financial Report, is the financial report noting the financial health of the organization and provides transparency. This report incorporates external audit findings, which document FCPS's compliance with established accounting principles and internal control best

practices and presents the financial health of the Division and includes revenues, expenditures and costs of major programs. By publishing the ACFR, FCPS demonstrates its commitment to accountability and public trust. Work on this report begins in May of the end of the fiscal year and is published the following January. The latest ACFR report will be for FY 2025, ending June 30, 2025; the external audit for this report is completed and the ACFR has been posted online. (indicator 11 and 12)

- FCPS ACFR, prepared at the end of each fiscal year, takes action to ensure that financial reports are filed accurately and on time.
 - The Annual Comprehensive Financial Report (ACFR) incorporates the findings of external audits, which verify FCPS's adherence to established accounting principles and internal control best practices. A summary of expenditures and balances of financial reports is made available through the Annual Report of Expenditures FY 2025.
 - An audited Annual Comprehensive Financial Report (ACFR) for each fiscal year is prepared annually and includes the audit opinion.
- Reports are submitted on time. (indicator 13)
 - The Annual School Report (ASR) is filed with the state annually in a timely manner in September of each year. A summary ASR annual reported financial expenditures is made available through the Annual Report of Expenditures FY 2025.
 - The CY 2025 Annual School Report due in September 2025 was filed accurately and on time.
 - The FY 2025 Annual Comprehensive Financial Statements (ACFR) report was completed accurately per the clean audit opinion received and was completed on time due in November 2025.
 - The FY 2025 Popular Annual Financial Report was completed on time due in December 2025.
 - The FY 2025 Educational Employees Supplemental Retirement System pension plan financial report was completed timely due in November 2025.
- A Fiscal Forecast presentation is prepared for the Board and presented approximately eight months prior to the start of the fiscal year and outlines a preliminary summary of forecasted revenues and projections of expenditures. (indicator 9).
- The Popular Annual Financial Report provides a high-level summary of FCPS annual financial reporting. (indicator 11)
- The Annual Adopted Budget provides the financial guidance for revenues, expenditures and programs for the upcoming fiscal year. (indicator 11)
- FCPS Quarterly Budget Reviews assure that the Division addresses revenue or expenditure adjustments in a timely manner. Quarterly Budgets Reviews are presented at Midyear, Third Quarter, and the Final Budget Review. (indicator 3)
- Quarterly Contract Reports are presented to the Board which include all sole source contracts, and all other contracts over \$200,000. Additionally, certain contracts over \$200,000 require Board approval, and certain contracts over \$500,000 are communicated via Friday letter. (indicator 2)
- Contracts requiring approval during the summer recess, when the School Board does not meet, will be submitted to the School Board in advance of the summer recess. A summary list of all contracts will be provided, including information detailing the negative impact if not approved. The standard contract approval template for each contract will be included as an attachment. (indicator 2)
 - All contracts that would have required approval over the summer were approved prior to the 2025 Board recess.
- The FCPS Travel Report for staff travel is provided on a quarterly basis each fiscal year. (indicator 11)
- FOCUS closes monthly for reporting to assure proper and timely recording of transactions. Monthly reconciliations are required for revenues, expenditures, personnel verification, Procurement cards, and bank reconciliations for appropriated and non-appropriated funds (local school activity funds - LSAF).

(indicator 12)

- The Superintendent sends a weekly letter to the School Board that serves as a regular opportunity to inform the Board of time-sensitive financial planning updates and emerging issues. In the event that there is no weekly letter due to vacations, breaks, or other reasons, the Board will be informed in advance. (indicator 9)

Internal Controls

- FCPS internal control systems are designed to provide reasonable assurance about the achievement of FCPS' objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with the applicable laws and regulations. FCPS administers internal controls to prevent any material error or fraud through four main avenues:
 - **Separation of duties and roles and responsibilities, and system access limitations within the Enterprise Reporting Program (ERP) system and all systems** (indicator 7 and 8)
 - Internal controls are maintained via roles and tasks in FOCUS, FCPS meticulously assigns tasks and roles within FOCUS, implementing a system of checks and balances and reviews. These access controls restrict user permissions, minimizing the risk of unauthorized activity.
 - FCPS adheres to the principle of segregation of duties for financial tasks. This means different personnel handle various aspects of financial transactions, reducing the risk of errors and fraud. Additionally, system controls within the use of FOCUS where roles are reviewed and well defined for access and approvals and routing. Internal control structures are in place which include the separation of duties and limits access in the FOCUS financial system.
 - An internal control structure mandates a separation of duties that prevents Payroll from accessing or modifying hiring and salary placement data managed by different offices within Human Resources. Within the Payroll office, FCPS maintains a rigorous segregation of duties by utilizing role-based access controls that restrict payroll staff member access.
 - Duties for vendor set up and review with Procurement functions are separated from the Comptroller's Office. Procurement initiates the contracts however vendor review and set up are completed in the Comptroller's Office working closely with Fairfax County Department of Finance.
 - **Financial regulations, policies and procedures** (indicator 2)
 - Policies, regulations, and notices are updated in a timely manner. See [Appendix A](#).
 - **Monitoring, tracking and reconciliations** (indicator 8)
 - FCPS assures internal controls with its financial reporting structure, use of a detailed chart of accounts and general ledger to track all revenues and expenditures and through the use of segregation of duties and roles to mitigate fraud risk and assure sound practices.
 - Chart of Accounts and the ERP system, FOCUS, structure to include funds, subfunds, cost centers, funded programs, to a commitment item level detail (general ledger account) is kept to track all transactions so analysis can occur at various levels of detail. Expenditures are monitored at high program level to detail levels of the General Ledger (GL).
 - Monthly Reconciliations for risk mitigation , compliance reviews of financial activity, for both expenditures and revenues, reconciliations of positions, p-card spending reconciliations, and bank statement reconciliations.

- FCPS internal controls are evaluated annually through various audits performed by external third party firms to review financial records and accounts and assure GAAP is followed. Audit review internal controls, risks, processes and environment.
- **Audits** (indicators 2, 7, 8, and 12)
 - The Annual Single Audit is performed by a third party external firm to provide assurance to the federal government that FCPS properly manages and spends federal funds, ensures compliance with laws, regulations, and grant terms while checking internal controls and financial reporting accuracy in accordance with Uniform Guidance.
 - Comptroller's Office provides an "Internal Compliance Audit/Reviews" of internal controls as required by state and federal guidance of departments and schools. The Comptroller's Office performs self-audits and compliance audit reviews.
 - The Office of Auditor General (OAG) audits provide another layer of internal audits reviewing internal controls and compliance with policies and regulations. The Division collaborates with the FCPS Office of the Auditor General, which reports to the School Board and conducts independent audits, at the school level to review if purchases were made in compliance with procurement procedures.
 - OAG conducts independent audits over local school activity funds (LSAF).
 - Virginia Retirement System (VRS) audits are performed annually in conjunction with the financial audit.
 - Annual Audit/Annual Comprehensive Financial Report (ACFR) audit is an external audit performed annually to assure financial health of the prepared financial statements of the organization.
 - Annual external auditors attest that the financial statements are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the Primary Government and all component units required by U.S. GAAP for the reporting entity, FCPS. Auditors attest to knowledge of fraud or suspected fraud.
 - FCPS has received a clean audit opinion for FY 2025, for the most recent external audit for the fiscal year 2025 (July 1, 2024 to June 30, 2025). To mitigate risk FCPS has an annual external audit performed of FCPS to audit revenues, expenditures, payroll, procurement and internal controls.
 - Annual External Audit assures accuracy of information presented for the fiscal year. The audit opinion is available on page 3 of the [FY 2025 ACFR](#).
- Finance has a separate online platform system called CARY (Critical Needs Accrual Request for Year-End) which assures that unspent funds undergo a strict review process for all schools and departments individually. (indicator 10).

PUBLIC

- Midyear, Third Quarter, and Year-End Budget Reviews are conducted and made publicly available. These reviews provide details of actual or anticipated deviations from the adopted budget. These variances include budget expenditure adjustments and necessary reallocation of funds. (indicator 9)
- The [Transparency Portal](#) allows the public to search financial data of FCPS. It allows users to search and view summary information about payments to specific vendors and budget versus actual expenditures. The financial data available on this site is unaudited and therefore has not been reviewed for accuracy by an outside party. (indicator 11)
- Central contracts are publicly posted on the Fairfax County Contract Register. (indicator 11)

- The PAPR, ACFR, Audit Opinion and Budget documents are all available on the FCPS website. (indicator 11)
- The Washington Area Board of Education (WABE) was first established in 1971 as a means for area school divisions to share information, study common problems, and enhance cooperation among educational organizations. Each year, the group surveys its members to publish the annual WABE Guide. Fairfax County Public Schools (FCPS) serves as the lead agency for this initiative, coordinating the data collection and compiling the final document. This guide enables local school systems to learn about each other by reporting comparable information in a standardized format. (indicator 11)

Appendix A: Updated Regulations and Policies (indicator 8)

Updated and posted regulations from Finance Services includes:

- [Policy 1370: Fundraising](#) (last revised July 14, 2022)
- [Policy 1420: Accountability for Public Funds and Property](#) (last revised July 14, 2022)
- [Policy 1421: Retaining Consultants](#) (last reviewed December 14, 2023)
- [Policy 4710: Benefit and Salary Deductions](#) (last revised November 22, 2021)
- [Policy 4730: Health Plans](#) (last revised December 4, 2023)
- [Policy 4731: Health Plans-Retirees](#) (last revised December 4, 2023)
- [Policy 4740: Life Insurance](#) (last revised December 4, 2023)
- [Policy 4750: Deferred Compensation Retirement Savings Programs](#) (last revised December 4, 2023)
- [Policy 4760: Integrated Disability Management Program](#) (last revised December 4, 2023)
- [Policy 4770: Retirement Membership](#) (last revised December 4, 2023)
- [Policy 5011: Authority to Contract](#) (Last revised March 9, 2023)
- [Policy 5015: Procurement of Professional and Consultant Services](#) (last revised March 9, 2023)
- [Policy 5410: Periodic Audits](#) (last revised May 1, 2023)
- [Policy 5710: Property and Casualty Coverage and Bonds](#) (last revised July 14, 2022)
- [Policy 5810: Administration of School Activity Funds](#) (last revised November 22, 2021)
- [Policy 5820: Equipment for School Activities](#) (last revised November 22, 2021)
- [Policy 5920: Student Fees, Contributions, and Recoverable Costs](#) (last revised July 14, 2022)
- [Policy 5960: Donations to Schools](#) (last revised November 22, 2021)
- [Regulation 1370: Fundraising](#) (last revised October 22, 2025)
- [Regulation 4135: COVID-19 Employee Reporting](#) (Rescinded)
- [Regulation 4730: Health Plans](#) (last revised July 1, 2025)
- [Regulation 4771: Retirement, Administration and Contribution Rates](#) (last revised December 1, 2025)
- [Regulation 4774: Reemployment of Retirees](#) (last reviewed July 26, 2024)
- [Regulation 4812: Administration Leave-Unusual Circumstances](#) (last revised September 8, 2025)
- [Regulation 4819: Sick Leave](#) (last revised July 1, 2025)
- [Regulation 4820: Bereavement Leave](#) (last revised July 1, 2025)
- [Regulation 4822: Leave of Absences](#) (last revised July 1, 2025)
- [Regulation 4834: Paid Parental Leave](#) (last revised July 1, 2025)
- [Regulation 4835: Family Medical Leave](#) (last revised March 12, 2021)
- [Regulation 5012: Purchasing Goods and Non-Professional Services Using Appropriated and Nonappropriated Funds](#) (last revised September 12, 2025)
- [Regulation 5016: Purchase of Equipment and Furnishings Requiring Installation](#) (last revised June 10, 2021)
- [Regulation 5021: Computer Hardware Standardization and Acquisition](#) (last revised August 18, 2021)
- [Regulation 5022: Purchase of Basal Materials and Services - Federal and State Projects](#) (last revised December 17, 2025)
- [Regulation 5024: Instructional Materials and Services—Federal and State Projects](#) (last revised March 14, 2024)
- [Regulation 5027: Acquisition of Musical Instruments and Sheet Music](#) (last revised March 14, 2024)
- [Regulation 5028: Asset Management](#) (last revised September 19, 2025)
- [Regulation 5111: Financial Management Reconciliation \(FMR\)](#) (last revised January 30, 2026)
- [Regulation 5112: Approval Authority of Financial Documents](#) (last revised September 19, 2025)

- [Regulation 5135: Reallocation of Authorized Funds Affecting Positions](#) (last revised September 19, 2025)
- [Regulation 5350: Procurement Card Management](#) (last revised March 11, 2024)
- [Regulation 5501P: Annual Budget Manual](#) (last revised April 4, 2025)
- [Regulation 5510: Periodic Budget Reviews](#) (last revised August 15, 2023)
- [Regulation 5610: Pay of Personnel](#) (last revised July 7, 2023)
- [Regulation 5620: Time and Attendance Administration Procedures](#) (last revised March 13, 2024)
- [Regulation 5640: Payment for Summer School, Curriculum Development, and Other Temporary Assignments](#) (last revised August 14, 2023)
- [Regulation 5660: Taxable Use of Employer-Provided Vehicles](#) (last revised May 1, 2023)
- [Regulation 5720: Property Losses](#) (last revised July 26, 2024)
- [Regulation 5725: Responsibilities for Student's Personal Property](#) (last revised June 10, 2025)
- [Regulation 5730: Privately Owned Vehicle Accident Reporting Procedures](#) (last revised September 30, 2025)
- [Regulation 5740: Student Accident Insurance Claims Procedures](#) (last revised October 22, 2025)
- [Regulation 5742: Field Trip Accident and Illness Insurance](#) (last revised July 7, 2022)
- [Regulation 5750: Volunteer Worker Medical Costs Coverage](#) (last revised September 5, 2025)
- [Regulation 5770: Reporting Student Injuries](#) (last revised October 31, 2023)
- [Regulation 5780: Reporting Procedures for Vandalism, Theft or Break-In](#) (last revised December 2025, Rescinded)
- [Regulation 5790: Field Trips—Planning, Financing, and Conducting](#) (last revised April 15, 2024)
- [Regulation 5812: Ticket Management](#) (last revised August 9, 2021)
- [Regulation 5817: Guidelines For Memorial, Commemorative, Scholarship, and Special Purpose Funds](#) (last revised July 7, 2022)
- [Regulation 5922: Student Fees](#) (last revised November 9, 2021)
- [Regulation 5980: Sale of Fairfax County School's Intellectual Property](#) (last revised December 8, 2025)

Regulations and policies updated and in the routing process:

- [Policy 1375: Charity Drives](#)
- [Policy 1421: Retaining Consultants](#)
- [Policy 4720: Employee Work-Incurred Injuries—Workers' Compensation](#)
- [Policy 4835: Family Medical Leave](#)
- [Policy 4960: Employee Assistance Program](#)
- [Policy 5010: Procurement of Goods & Services Except Construction](#)
- [Policy 5017: School Procurement System](#)
- [Policy 5028: Systems of Inventory Management](#)
- [Policy 5029: Equipment Ownership and Use](#)
- [Policy 5105: Authority to Enter into Contractual Agreements](#)
- [Policy 5210: Petty Cash Funds; Rescinding](#)
- [Policy 5501: Preparation of Annual Budget](#)
- [Policy 5725: Responsibilities for Students' Personal Property](#)
- [Policy 5740: Student Accident and Life Insurance](#)
- [Policy 5790: Field Trips](#)
- [Policy 5830: School Stores](#)
- [Regulation:4750: Tax-Deferred Accounts \(TDAs\)](#)
- [Regulation 4760: Integrated Disability Management Program](#)
- [Regulation 4772: Retirement Procedures](#)

- [Regulation 4813: Annual Leave](#)
- [Regulation 4818: Short-Term Leave Without Pay](#)
- [Regulation 4836: Leave of Absence - On-Loan](#)
- [Regulation 5025: Loan Equipment for Evaluation](#)
- [Regulation 5115: Memberships in Professional, Educational, and Community Associations](#)
- [Regulation 5120: Employee Group Funds, Faculty Funds, and Sunshine Funds](#)
- [Regulation 5130: Position Control and Personnel Action](#)
- [Regulation 5210: School Board Petty Cash Funds](#)
- [Regulation 5220: Bank Accounts](#)
- [Regulation 5310: Travel - Local and NonLocal](#)
- [Regulation 5311: Travel ERFC; Rescinding](#)
- [Regulation 5320: Sales and Use Tax](#)
- [Regulation 5330: Payments of Nonpayroll Systemwide Obligations](#)
- [Regulation 5650: Direct Deposit of Nonpayroll Related Reimbursements](#)
- [Regulation 5720: Property Losses](#)
- [Regulation 5810: School Activity Funds Management](#)
- [Regulation 5910: Monetary Receipts](#)
- [Regulation 5950: Financing of Early Childhood Careers Preschool](#)
- [Regulation 5961: Donations](#)
- [Regulation 5970: Grants](#)